

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10

L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11

AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02

OPIC-03 LAB-04 SIL-01 OMB-01 INT-05 DOE-15 SOE-02

STR-07 IO-13 MCT-01 NRC-05 ACDA-12 NASA-01 OES-07

/163 W

-----019812 221743Z /42

R 221430Z APR 78

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 8007

INFO AMEMBASSY BUENOS AIRES

AMEMBASSY LIMA

AMEMBASSY BRASILIA

AMEMBASSY SANTIAGO

AMEMBASSY MEXICO CITY

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E.O. 11652: N/A

TAGS: PDIP, EC, AR

SUBJECT: VISIT OF ARGENTINIAN FOREIGN MINISTER TO ECUADOR

REF: (A) QUITO 2349; (B) QUITO 2466;

1. BEGIN SUMMARY: FOREIGN MINISTER OSCAR ANTONIO MONTES OF ARGENTINA VISITED ECUADOR APRIL 11-13. HE AND ECUADOREAN FOREIGN MINISTER JOSE AYALA SIGNED A COMMUNIQUE COVERING A RANGE OF BILATERAL AND MULTILATERAL CONCERNS. INCLUDED WERE ECUADOR'S SUPPORT FOR ARGENTINA ON THE FALKLAND ISLAND ISSUE AND THE TWO COUNTRIES' INTENTION TO INCREASE COLLABORATION BETWEEN THEIR STATE OIL CORPORATIONS. ARGENTINA DID NOT SUSCRIBE TO ECUADOR'S POSITION ON THE GEOSYNCHRONOUS ORBIT. OPPOSITION TO THE US TRADE ACT GSP EXCLUSION OF ECUADOR WAS MENTIONED, APPARENTLY AT ARGENTINA'S INITIATIVE.

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END SUMMARY.

2. ARGENTINIAN FONMIN OSCAR ANTONIO MONTES MADE AN OFFICIAL VISIT TO ECUADOR APRIL 11-13, DURING WHICH TIME HE RECEIVED USUAL PROTOCOLARY HONORS AND ISSUED A JOINT COMMUNIQUE WITH HIS ECUADOREAN COUNTERPART, JOSE AYALA. MONTES WAS RECIPROCATING A VISIT MADE TO BUENOS AIRES A YEAR AGO

BY THEN ECUADOREAN FONMIN JORGE SALVADOR LARA. THE COMMUNIQUE REITERATED SHARED POSITIONS ON AN ARRAY OF INTERNATIONAL CONCERNS, INCLUDING LAW OF THE SEA, TERRORISM, ARMS PROLIFERATION, AND SPACE. VARIOUS MEASURES TO ACCELERATE REGIONAL INTEGRATION AND PROMOTE ECONOMIC COOPERATION BETWEEN ECUADOR AND ARGENTINA WERE PROPOSED IN THE DOCUMENT, BUT NO SPECIFIC AGREEMENTS WERE CONCLUDED.

3. THE COMMUNIQUE CONTAINED SEVERAL NOTEWORTHY ITEMS:

- RECOGNITION OF THE IMPORTANCE OF NEGOTIATION AND DIRECT DIALOG BETWEEN THE PARTIES TO AN INTERNATIONAL AN INDIRECT FROM THE ECUADOREAN POINT OF VIEW DISPUTE (REFERENCE/TO THE ECUADOR/PERU BORDER QUESTION);
- ECUADOREAN SUPPORT FOR ARGENTINA'S POSITION REGARDING THE FALKLAND ISLANDS;
- ACKNOWLEDGEMENT OF PROGRESS MADE UNDER THE BILATERAL AGREEMENT REACHED IN 1977 FOR TECHNICAL COOPERATION IN THE NUCLEAR ENERGY FIELD;
- SUPPORT FOR INTENSIFYING COLLABORATION BETWEEN THE STATE OIL CORPORATIONS OF ECUADOR (CEPE) AND ARGENTINA (YPF); AND
- OPPOSITION TO THE "DISCRIMINATORY" PORTIONS OF THE US TRADE ACT OF 1974(I.E., ECUADOR'S EXCLUSION FROM THE GENERAL SYSTEM OF PREFERENCES).

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4. REF A REPORTS ON THE MISLEADING PRESS STORIES WHICH APPEARED PRIOR TO MONTES' ARRIVAL, INCORRECTLY ANTICIPATING AN AGREEMENT BY WHICH ARGENTINA WOULD PROVIDE A NUCLEAR PLANT TO ECUADOR. IN FACT, COOPERATION BETWEEN THE TWO COUNTRIES IN THE NUCLEAR FIELD CONSISTS ONLY OF TECHNICAL AND ECONOMIC ASSISTANCE FROM ARGENTINA FOR CONSTRUCTION OF A NUCLEAR LABORATORY IN ECUADOR.

5. COMMENT: THE COMMUNIQUE WAS ABOVE ALL A LISTING OF ISSUES ON WHICH ECUADOREAN AND ARGENTINIAN POSITIONS COINCIDE. AS IN THE CASE OF THE JOINT DECLARATION MADE RECENTLY BY AYALA AND VISITING MEXICAN FONMIN SANTIAGO ROEL (REPORTED IN REF B), THE AYALA/MONTES COMMUNIQUE DID NOT LEND SUPPORT TO ECUADOR'S STANCE ON THE GEOSTATIONARY ORBIT. THE DOCUMENT, IN REFERRING TO THE TWO COUNTRIES' INTENTION TO STUDY THE POSSIBILITY OF PARTICIPATION IN A JOINT AMERICAN GEOSTATIONARY SATELLITE, MENTIONED ONLY THAT SUCH A SATELLITE WOULD BE LOCATED IN ECUADOR'S ORBITAL SEGMENT. A FOREIGN MINISTRY SOURCE CONFIDED TO POLCOUNS THAT WHILE THE MEXICANS WERE UNINTERESTED AND NEUTRAL ON THE ISSUE, THE ARGENTINIANS TOOK A VIEW DIAMETRICALLY OPPOSED TO THAT OF THE GOE.

INSTEAD OF PUBLICLY DIFFERING, THEY AGREED ON THE
SATELLITE CLAUSE, WHICH WHILE POSITIVE IN TONE, DID
NO VIOLENCE TO EITHER'S JURIDICAL POSITION.

6. THE DECISION TO EXPAND COOPERATION BETWEEN CEPE AND

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YPF, GIVEN YPF'S FAILURE TO LOCATE SIGNIFICANT PETROLEUM
RESERVES IN THE CONCESSION IT HAS HAD SINCE 1975, SUGGESTS
ECUADOR'S INTEREST IN HAVING OTHER COUNTRIES PAY THE COSTS
FOR NEW OIL EXPLORATION AND IN DEVELOPING A MARKET IN
ARGENTINA FOR ITS OIL, A MARKET WHICH WOULD OTHERWISE BE
INACCESSIBLE WITHOUT THE CEPE/YPF CONNECTION. CONTRARY
TO PRESS REPORTS CIRCULATING AT THE TIME OF MONTES' VISIT,
YPF (ACCORDING TO THE GENERAL MANAGER OF ITS ECUADOREAN
OPERATIONS) DOES NOT PLAN TO EXPAND ITS CONCESSION AREA.

7. ALTHOUGH MENTION OF THE US TRADE ACT DISCRIMINATION
AGAINST ECUADOR AND VENEZUELA WAS NOT MENTIONED IN THE
ECUADOR-MEXICO COMMUNIQUE, IT APPEARED IN THE ECUADOR-
ARGENTINE DECLARATION. ASKED ABOUT THE INCONSISTENCY,
DIRGEN OF POLITICAL AFFAIRS VEINTIMILLA TOLD POLCOUNS
THAT, CONTRARY TO WHAT ONE WOULD TEND TO BELIEVE, IT

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WAS PUT IN AT THE ARGENTINE INITIATIVE. VEINTIMILLA EXPLAINED CANDIDLY THAT WHILE THE ELIMINATION OF THE TRADE ACT EXCLUSION IS STILL ON ECUADOR'S LIST OF PRIORITIES, THE GOE HAS LISTENED TO THE EXPLANATIONS OF THE US EXECUTIVE BRANCH, ACCEPTS THEM, AND HAS NO DESIRE TO BADGER THE US GRATUITOUSLY IN THE FACE OF CONGRESSIONAL INERTIA. HOWEVER, ARGENTINA, LOOKING TO BUILD PACKAGES OF ISSUES TO TABLE AT THE SCCN MEETING IN SANTO DOMINGO AS A PRECLUDE TO THE MTN IN GENEVA, SUGGESTED THE INCLUSION, TO WHICH ECUADOR COULD HARDLY OBJECT, HE SAID.

8. THE TRADE ACT EXCLUSION IS ONE OF THE FEW NETTLESOME BILATERAL PROBLEMS THAT REMAINS WITH ECUADOR AND THE GOE HAS PLAYED IT FORTISSIMO FOR SEVERAL YEARS. SEEN IN THIS LIGHT, VEINTIMILLA'S EXPLANATION, IF TRUE, (AND HE HAS BEEN A VERY RELIABLE SOURCE IN THE PAST), ECUADOR IS CONSCIENTIOUSLY BENDING OVER BACKWARDS NOT TO OFFEND THE US -- TO A DEGREE WHICH NEARLY STRAINS CREDULITY.
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